GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4847
ANSWERED ON:24.04.2003
GOVERNMENT LOANS TO PUBLIC SECTOR ENTERPRISES
K. FRANCIS GEORGE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government are granting loans to public sector enterprises in the red, for revival of these companies and for facilitating V.R.S.;

(b) if so, the details of these loans granted to sick companies during the last three years, State-wise and rate of interest charged;

(c) whether any of these companies have been able to revive their financial position;

(d) if so, the details thereof;

(e) whether these companies have repaid the loans with interest so far;

(f) if not, the details of outstanding principal and interest accrued, company-wise;

(g) whether the Government are aware that private sector companies are able to generate funds from the Banking Sector at a rate less than P.L.R.;

(h) if so, whether the Government consider a comparative reduction of interest rate on these loans; and

(i) if so, the details thereof?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) and (b): Need based loans are granted by the Government to Central Public Sector Undertakings(CPSUs) including sick enterprises on merit. The details of loans granted to CPSUs including sick one & during the last three years are given in Ministry of Finance`s Expenditure Budget Volume 1 of respective years and it is a published document. The rate of interest charged on Government of India loan are announced by the Ministry of Finance from time to time and depends on nature of loan granted. As per Ministry of Finance`s circular date 30.3.2002, the rate of interest charged on investment loans was 13.50% and on working capital loans and loans to meet cash losses 17.50% w.e.f. 1.4.2002 to 31.3.2003. In the previous year the rate of interest was 14% and 18% respectively.

(c) and (d) : In addition to financial assistance, the revival of sick CPSUs depends on other aspects also such as financial and business restructuring, order book position, capacity utilisation, cost control measures, rationalization of manpower, etc. However, as per Public Enterprises Survey 2001-02 which was laid in the Parliament on 3.3.2003 and is a published document, three sick industrial CPSUs namely U.P Drugs and Pharmaceuticals Limited, Vignyan Industries Limited and NTC(APKK&M) Limited hav recorded positive improvement in networth during 2001-02 as compared to last year.

(e) and (f): The details of Government of India loan and interest with sick industrial CPSUs are annexed.

(g) to
(i): The interest rates on Government of India loan to CPSUs is reviewed from time to time taking into consideration the prevailing circumstances.

Annexure to reply to para (e) and (f) of Lok Sabha Unstarred Qn. No. 4847 for reply on 24.4.2003

Details of outstanding Govt. of India loans/interests of Sick PSEs registered with BIFR (as on 31.12.2002) as on 31.3.2002

(Rs. in Crore)

S.No.	NAME OF THE COMPANY	Loan	Interest
1.	BENGAL CHEMICALS & PHARMACEUTICALS LTD.	23.58	1.35

2.	BENGAL IMMUNITY LTD.	67.44	8.82
3.	BHARAT BRAKES & VALVES LTD.	1.44	0.13
4.	BHARAT GOLD MINES LTD.	704.38	255.49
5.	BHARAT IMMUNOLOGICAL & BIOLOGICALS CORP. LTD.	11.34	0.80
6.	BHARAT OPHTHALMIC GLASS LTD.	219.86	22.02
7	BHARAT PUMPS & COMPRESSORS LTD.	16.82	3.37
8.	BHARAT REFRACTORIES LTD.	103.18	1.30
9.	BHARAT WAGON & ENGG. CO. LTD.	6.57	0.19
10.	BIRDS,JUTE & EXPORTS LTD.	11.55	0.90
11.	BRITISH INDIA CORPORATION LTD.	252.82	0.00
12.	BURN STANDARD COMPANY LTD.	0.00	14.92
13.	CAWNPORE TEXTILES LTD.	122.64	11.38
14.	CEMENT CORPN. OF INDIA LTD.	974.84	107.55
15.	ELGIN MILLS COMPANY LTD.	571.51	45.22
16.	FERTILIZER CORPN. OF INDIA LTD.	7027.57	831.58
17.	HEAVY ENGINEERING CORPN. LTD.	636.00	27.89
18.	HINDUSTAN ANTIBIOTICS LTD.	91.32	1.30
19.	HINDUSTAN CABLES LTD.	73.55	10.74
20.	HINDUSTAN FERTILIZER CORPN. LTD.	6004.92	633.69 21.
21.	HINDUSTAN PHOTO FILMS MANUFACTURING CORPN. LTD.	302.14	36.70
22.	HINDUSTAN SALTS LTD.	35.09	2.03
23.	HINDUSTAN VEGETABLE OILS CORPN. LTD.	127.39	20.30
24.	INDIAN DRUGS & PHARMACEUTICALS LTD.	716.24	60.41
25.	INSTRUMENTATION LTD.	69.52	7.36
26.	NATIONAL INSTRUMENTS LTD.	198.42	0.00
27.	NATIONAL JUTE MANUFACTURERS CORPORATION LTD.	2675.08	213.13
28.	NEPA LTD	35.65	5.16
29.	NORTH EASTERN REGIONAL AGRI. MARKETING CORP.LTD.	0.25	0.00
30.	NTC(MAHARASHTRA NORTH)LTD.	4.24	0.00
31.	PRAGA TOOLS LTD.	0.00	10.06
32.	PROJECTS & DEVELOPMENT INDIA LTD.	68.32	6.33
33.	PYRITES, PHOSPHATES & CHEMICALS LTD.	146.57	19.59
34.	R B L LTD.	9.62	0.00
35.	RICHARDSON & CRUDDAS(1972) LTD.	8.05	0.00
36.	SCOOTERS INDIA LTD.	7.53	0.00
37.	SMITH STANISTREET & PHARMACEUTICALS LTD.	37.33	4.44
38.	TRIVENI STRUCTURALS LTD.	0.00	5.56
39.	TYRE CORPORATION OF INDIA LTD.	457.51	33.82
	TOTAL	21820.28	2403.53